

# **EXHIBIT A**

**BERNARD L. MADOFF INVESTMENT SECURITIES LLC**

In Liquidation

**DECEMBER 11, 2008<sup>1</sup>**

**NOTICE OF TRUSTEE'S DETERMINATION OF CLAIM**

August 3, 2010

Emily Chais Issue Trust No. 1  
c/o Andrew Sherman, Esq.  
Sills, Cummis & Gross  
One Riverfront Plaza  
Newark, NJ 07102

Dear Emily Chais Issue Trust No. 1:

**PLEASE READ THIS NOTICE CAREFULLY.**

The liquidation of the business of BERNARD L. MADOFF INVESTMENT SECURITIES LLC ("BLMIS") is being conducted by Irving H. Picard, Trustee under the Securities Investor Protection Act, 15 U.S.C. § 78aaa et seq. ("SIPA"), pursuant to an order entered on December 15, 2008 by the United States District Court for the Southern District of New York.

The Trustee has made the following determination regarding your claim on BLMIS Account No. 1C1024 designated as Claim Number 13777:

Your claim for a credit balance of \$31,414,092.26 and for securities is **DENIED**. No securities were ever purchased for your account.

Further, based on the Trustee's analysis, the amount of money you withdrew from your account at BLMIS (total of \$2,846,612.96), as more fully set forth in Table 1 annexed hereto and made a part hereof, is greater than the amount that was deposited with BLMIS for the purchase of

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<sup>1</sup> Section 78111(7)(B) of SIPA states that the filing date is "the date on which an application for a protective decree is filed under 78eee(a)(3)," except where the debtor is the subject of a proceeding pending before a United States court "in which a receiver, trustee, or liquidator for such debtor has been appointed and such proceeding was commenced before the date on which such application was filed, the term 'filing date' means the date on which such proceeding was commenced." Section 78111(7)(B). Thus, even though the Application for a protective decree was filed on December 15, 2008, the Filing Date in this action is on December 11, 2008.

securities (total of \$1,518.67). As noted, no securities were ever purchased by BLMIS for your account. Any and all profits reported to you by BLMIS on account statements were fictitious.

As reflected in Table 1, certain of the transfers into or out of your account have been adjusted. As part of the Trustee's analysis of accounts, the Trustee has assessed accounts based on a money in/money out analysis (i.e., has the investor deposited more or less than he or she withdrew from BLMIS). This analysis allows the Trustee to determine which part of an account's balance is originally invested principal and which part is fictitious gains that were fabricated by BLMIS. A customer's allowed claim is based on the amount of principal in the customer's account.

Whenever a customer requested a transfer from one account to another, the Trustee analyzed whether the transferor account had principal in the account at the time of the transfer. The available principal in the account was transferred to and credited in the transferee account. Thus, the reason that the adjusted amount of transferred deposits or withdrawals in Table 1 is less than the purported transfer amount is that the transferor account did not have sufficient principal available to effectuate the full transfer. The difference between the purported transfer amount and the adjusted transfer amount is the amount of fictitious gain that was transferred to or from your account. Under the money in/money out analysis, the Trustee does not give credit for fictitious gains in settling your allowed claim.

Since there were no profits to use either to purchase securities or to pay you any money beyond the amount that was deposited into your BLMIS account, the amount of money you received in excess of the deposits in your account (\$2,845,094.29) was taken from other customers and given to you. Accordingly, because you have withdrawn more than was deposited into your account, you do not have a positive "net equity" in your account and you are not entitled to an allowed claim in the BLMIS liquidation proceeding. Therefore, your claim is **DENIED** in its entirety.

**On March 1, 2010, the United States Bankruptcy Court for the Southern District of New York (Lifland, J.) issued a decision which affirmed the Trustee's Net Investment Method for determining customer claims. The final resolution of this issue is expected to be determined on appeal.**

**Should a final and unappealable court order determine that the Trustee is incorrect in his interpretation of "net equity" and its corresponding application to the determination of customer claims, the Trustee will be bound by that order and will apply it retroactively to all previously determined customer claims in accordance with the Court's order. Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by you in having your customer claim re-determined in accordance with any such Court order.**

Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by the Trustee against you.

**PLEASE TAKE NOTICE:** If you disagree with this determination and desire a hearing before Bankruptcy Judge Burton R. Lifland, you **MUST** file your written opposition, setting forth the grounds for your disagreement, referencing Bankruptcy Case No. 08-1789 (BRL) and attaching

copies of any documents in support of your position, with the United States Bankruptcy Court **and** the Trustee within **THIRTY DAYS** after August 3, 2010, the date on which the Trustee mailed this notice.

**PLEASE TAKE FURTHER NOTICE:** If you do not properly and timely file a written opposition, the Trustee's determination with respect to your claim will be deemed confirmed by the Court and binding on you.

**PLEASE TAKE FURTHER NOTICE:** If you properly and timely file a written opposition, a hearing date for this controversy will be obtained by the Trustee and you will be notified of that hearing date. Your failure to appear personally or through counsel at such hearing will result in the Trustee's determination with respect to your claim being confirmed by the Court and binding on you.

**PLEASE TAKE FURTHER NOTICE:** You must mail your opposition, if any, in accordance with the above procedure, to each of the following addresses:

Clerk of the United States Bankruptcy Court for  
the Southern District of New York  
One Bowling Green  
New York, New York 10004

and

Irving H. Picard, Trustee  
c/o Baker & Hostetler LLP  
45 Rockefeller Plaza  
New York, New York 10111

  
\_\_\_\_\_  
Irving H. Picard

Trustee for the Liquidation of the Business of  
Bernard L. Madoff Investment Securities LLC

DATE	TRANSACTION DESCRIPTION	AMOUNT	ADJUSTED AMOUNT
8/12/1983	TRANSFER FROM COMSTOCK	\$1,111.99	\$0.00
8/19/1983	TRANSFER FROM COMSTOCK	\$884.15	\$884.15
1/2/1986	CHECK	\$51.52	\$51.52
12/6/1988	CHECK	\$583.00	\$583.00
3/31/1993	TRANS FROM 1C102130	\$400.00	\$0.00
<b>Total Deposits:</b>		\$3,030.66	\$1,518.67
DATE	TRANSACTION DESCRIPTION	AMOUNT	ADJUSTED AMOUNT
8/19/1983	CANCEL 08/12 TRANSFER	(\$1,111.99)	\$0.00
10/16/1984	CHECK	(\$30.00)	(\$30.00)
10/1/1985	CHECK	(\$371.00)	(\$371.00)
10/3/1986	CHECK	(\$701.00)	(\$701.00)
10/9/1987	CHECK	(\$2,802.00)	(\$2,802.00)
12/22/1987	CHECK	(\$200.00)	(\$200.00)
4/19/1988	CHECK	(\$39.00)	(\$39.00)
9/12/1988	CHECK	(\$200.00)	(\$200.00)
9/22/1989	CHECK	(\$200.00)	(\$200.00)
12/27/1991	CHECK	(\$200.00)	(\$200.00)
3/18/1994	CHECK	(\$33,588.00)	(\$33,588.00)
6/27/1997	CHECK	(\$120,184.00)	(\$120,184.00)
7/7/1997	CXL CHECK	\$120,184.00	\$120,184.00
4/13/1999	CHECK WIRE	(\$722,935.00)	(\$722,935.00)
4/10/2000	CHECK	(\$114,654.00)	(\$114,654.00)
6/12/2000	CHECK	(\$24,000.00)	(\$24,000.00)
9/7/2000	CHECK	(\$24,000.00)	(\$24,000.00)
1/4/2001	CHECK	(\$24,000.00)	(\$24,000.00)
8/24/2001	CHECK	(\$5,715.96)	(\$5,715.96)
5/30/2002	CHECK	(\$2,341.00)	(\$2,341.00)
9/9/2002	CHECK	(\$9,000.00)	(\$9,000.00)
4/8/2003	CHECK	(\$1,024,301.00)	(\$1,024,301.00)
3/29/2004	CHECK	(\$46,629.00)	(\$46,629.00)
3/28/2005	CHECK	(\$416,329.00)	(\$416,329.00)
4/11/2006	CHECK	(\$186,877.00)	(\$186,877.00)
4/5/2007	CHECK	(\$61,927.00)	(\$61,927.00)
3/31/2008	CHECK	(\$145,573.00)	(\$145,573.00)
<b>Total Withdrawals:</b>		(\$2,847,724.95)	(\$2,846,612.96)
<b>Total deposits less withdrawals:</b>		(\$2,844,694.29)	(\$2,845,094.29)

## **EXHIBIT B**



**BERNARD L. MADOFF**  
INVESTMENT SECURITIES LLC  
New York □ London

885 Third Avenue  
New York, NY 10022  
(212) 230-2424  
800 334-1343  
Fax (212) 838-4061

Madoff Securities International Limited  
12 Berkeley Street  
Mayfair, London W1J 8DT  
Tel 020 7493 6222

**EMILY CHAIS ISSUE TRUST 1**

08-01789-0001

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PERIOD ENDING  
**11/30/08**

YOUR ACCOUNT NUMBER  
**1-C1024-3-0**  
YOUR TAXPAYER IDENTIFICATION NUMBER  
**\*\*\*\*\*9793**

DATE	BOUGHT RECEIVED OR LONG	SOLD DELIVERED OR SHORT	TRN	DESCRIPTION	PRICE OR SYMBOL	AMOUNT DEBITED TO YOUR ACCOUNT	AMOUNT CREDITED TO YOUR ACCOUNT
11/03				BALANCE FORWARD			
11/03				AT&T INC DIV 10/10/08 11/03/08	DIV		24,000.00
11/17		6,000	78173	CVS CAREMARK CORP DIV 10/21/08 11/03/08	DIV		576.11
11/17	275,000		78229	BIOGEN IDEC INC U S TREASURY BILL DUE 5/14/2009	46.500 99.624	273,966.00	279,000.00
11/18		7,600		ANHEUSER-BUSCH COS INC CASH MERGER	DELY		
11/18		550,000		U S TREASURY BILL DUE 11/20/08	JRNL DELY		532,000.00
11/20				REDEEMED U S TREASURY BILL DUE 11/20/08	JRNL		550,000.00
11/20				REDEEMED FIDELITY SPARTAN U S TREASURY MONEY MARKET	DIV		
11/20		45,292	77045	DIV 11/20/08 FIDELITY SPARTAN U S TREASURY MONEY MARKET	1		45,292.00
				CONTINUED ON PAGE 2			

PLEASE RETAIN THIS STATEMENT FOR INCOME TAX PURPOSES

Doc 930-1 Filed 08/31/10 Entered 08/31/10 17:47:41 Exhibit A  
24,000.00  
576.11  
279,000.00  
532,000.00  
550,000.00  
45,292.00



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DATE	BOUGHT RECEIVED OR LONG	SOLD DELIVERED OR SHORT	TRN	DESCRIPTION	PRICE OR SYMBOL	AMOUNT DEBITED TO YOUR ACCOUNT	AMOUNT CREDITED TO YOUR ACCOUNT
11/20	575,000		77066	U S TREASURY BILL DUE 5/21/2009	99.747	573,545.25	
11/24				5/21/2009			
11/25	17,900		77955	GOLDMAN SACHS GROUP INC	DIV		
11/28	53,841		79196	DIV 10/27/08 11/24/08 MYNN RESORTS LTD FIDELITY SPARTAN U S TREASURY MONEY MARKET	29.600 1	529,840.00 53,841.00	
				NEW BALANCE			
				SECURITY POSITIONS	MKT PRICE		
	60,112			AT&T INC	28.560		
	22,000			ALIRIA GROUP INC	16.080		
	8,350			CVS CAREMARK CORP	28.930		
	750			GOLDMAN SACHS GROUP INC	78.990		
	9,000			HALLIBURTON CO	17.600		
	6,400			JOHNSON & JOHNSON	58.580		
	15,224			KRAFT FOOD INC	27.210		
	23,000			MICROSOFT CORP	20.220		
	53,841			FIDELITY SPARTAN	1		
	15,500,000			U S TREASURY MONEY MARKET U S TREASURY BILL DUE 3/12/2009	99.971		
				3/12/2009			
				CONTINUED ON PAGE 3			



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PERIOD ENDING	11/30/08
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R TAX PAYER IDENTIFICATION NUMBER

DATE	BOUGHT RECEIVED OR LONG	SOLD DELIVERED OR SHORT	TRN	DESCRIPTION	PRICE OR SYMBOL	AMOUNT DEBITED TO YOUR ACCOUNT	AMOUNT CREDITED TO YOUR ACCOUNT
	175,000			U S TREASURY BILL DUE 03/26/2009	99.971		
	2,750,000			U S TREASURY BILL DUE 4/02/2009	99.969		
	5,975,000			U S TREASURY BILL DUE 04/09/2009	99.945		
	1,625,000			U S TREASURY BILL DUE 4/09/2009	99.915		
	275,000			U S TREASURY BILL DUE 5/14/2009	99.828		
	575,000			U S TREASURY BILL DUE 5/21/2009	99.831		
	17,900			WYNN RESOURIS LTD 5/21/2009	39.820		
				MARKET VALUE OF SECURITIES LONG 31,414,092.26			
				SHORT			

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DATE	BOUGHT RECEIVED OR LONG	SOLD DELIVERED OR SHORT	TRIN	DESCRIPTION	PRICE OR SYMBOL	AMOUNT DEBITED TO YOUR ACCOUNT	AMOUNT CREDITED TO YOUR ACCOUNT
				YEAR-TO-DATE SUMMARY			
				DIVIDENDS			294,670.5
				MARGIN INTEREST			28,570,452.0
				GROSS PROCEEDS FROM SALES		3,158.30	

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